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Cyril Deretz

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EXAMINER

VIZVARY, GERALD C

ART UNIT

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/772,103	Applicant(s) DERETZ, CYRIL	
	Examiner GERALD C. VIZVARY	Art Unit 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 June 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. In the amendment filed 6/23/2008, the following has occurred: claims 9 & 17 have been amended. Now, claims 1-20 are presented for examination.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1, 4, 7, 17, 18 & 20 are rejected under 35 U.S.C. 102(b) as being anticipated by Olsen US 2002/0123951.

As per claim 1 (Original), Olsen US 2002/0123951 A1 discloses a method for correlation risk hedging comprising: selecting at least two underlying assets (“The present invention determines a portfolio from past values of underlyings and from views about the future values of underlyings.” Olsen US 2002/0123951 A1 ¶ [0004]); and (“Dynamic hedging with trading models is an automatic consequence of the system--since the portfolio can have a position in the US Dollar and a trading model against the US Dollar as two separate assets with different weights in the portfolio.” Olsen US 2002/0123951 A1 ¶ [0004]); and

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providing a product having a payoff value wherein the payoff value is a function of the similarity of the behavior of the intermediate performances of the at least two underlying assets, each intermediate performance being related to the time period between two successive intermediate dates. ("One aspect of the present invention is a method for determining a portfolio comprising the steps of: inputting past portions of one or more time series of one or more underlyings; inputting one or more views about the future of the one or more time series; and determining one or more future paths of the one or more time series from the past portions and said views." Olsen US 2002/0123951 A1 ¶ [0004])

As per claim 4 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 1 wherein said product comprises an expiry date and wherein the payoff at the expiry date is determined by:

$$p = 100 * \left[1 + \frac{\sum_{i=1}^n p_1(i) p_2(i)}{\sqrt{\sum_{i=1}^n [p_1(i)]^2} \cdot \sqrt{\sum_{i=1}^n [p_2(i)]^2}} \right]$$

wherein n+1 is the number of said intermediate dates, the intermediate date 0 being said initiation date, $p_1(i)$ is the performance between intermediate dates i-1 and i of said first underlying asset and $p_2(i)$ is the performance between intermediate dates i-1 and i of said second underlying asset. ("In addition to a volatility model, the user can

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associate a model for correlation with each underlying. The available models are the same as the volatility models, i.e. historical, RMA, EMA and GARCH(1, 1). Now, however, these models are not used to define the volatility for the underlyings. Rather, they are combined pairwise to give formulas for the correlations between the underlyings. Olsen US 2002/0123951 A1 ¶ [0231]) and (“Accordingly, the correlation can be defined by

$$Corr = \frac{\sum_{i=1}^N w_{1,i} w_{2,i} Y_{1,t,i} Y_{2,t,i}}{\left(\sum_{i=1}^N w_{1,i}^2 Y_{1,t,i}^2 \right)^{1/2} \left(\sum_{i=1}^N w_{2,i}^2 Y_{2,t,i}^2 \right)^{1/2}}$$

Olsen US 2002/0123951 A1 ¶ [0236])

As per claim 7 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 1 wherein the product value is determined by a Monte Carlo simulation (“Simulation Model One embodiment of the present invention solves the portfolio re-allocation problem via Monte Carlo simulation, which involves the construction of multivariate correlated paths into the future for each underlying time series.” Olsen US 2002/0123951 A1 ¶ [0022])

As per claim 17 (Currently amended), Olsen US 2002/0123951 discloses a product for correlation risk hedging comprising:

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a price wherein the price is a function of an implied price correlation over a set term of at least two assets said price determined on a computing device wherein the computing devices determines the implied price correlation of said at least two assets ("A method for interacting with a computer to determine a portfolio as in claim 64 wherein said one or more simulation results comprise one or more correlations among one or more pairs of said assets." Olsen US 2002/0123951 A1 Claim 68); and

an expiry date wherein the expiry date has a term that is the same term as $[[a]]$ the set term of the implied price correlation. ("If a maturity is associated with the time series, this maturity must always be relative to the present time point and not an absolute point in time." Olsen US 2002/0123951 A1, ¶ [0019]) and (The typical example is interest rates where users will see spot rates $R(t, s_j)$ for times to maturity $0 < s_1 < \dots < s_k$ but the simulation will be on the forwards $R(t, s_{j-1}, s_j)$ for the periods $[t+s_{j-1}, t+s_j]$, where we have put $s_0=0$. Olsen US 2002/0123951 A1, ¶ [0172])

As per claim 18 (Original), Olsen US 2002/0123951 discloses a product according to claim 17 wherein the price is a function of an implied volatility of the at least two assets ("In addition to a volatility model, the user can associate a model for correlation with each underlying. The available models are the same as the volatility models, i.e. historical, RMA, EMA and GARCH(1, 1). Now, however, these models are not used to define the volatility for the underlyings. Rather, they are combined pairwise to give formulas for the correlations between the underlyings. Olsen US 2002/0123951 A1 ¶ [0231]) and ("Accordingly, the correlation can be defined by

$$Cor_1 = \frac{\sum_{i=1}^N w_{1,i} w_{2,i} Y_{1,i} Y_{2,i}}{\left(\sum_{i=1}^N w_{1,i} Y_{1,i}^2 \right)^{1/2} \left(\sum_{i=1}^N w_{2,i} Y_{2,i}^2 \right)^{1/2}}$$

Olsen US 2002/0123951 A1 ¶ [0236])

As per claim 20 (Original), Olsen US 2002/0123951 discloses a product according to claim 17 wherein the price is determined according to a Monte Carlo simulation ("Simulation Model One embodiment of the present invention solves the portfolio re-allocation problem via Monte-Carlo simulation, which involves the construction of multivariate correlated paths into the future for each underlying time series." Olsen US 2002/0123951 A1 ¶ [0022])

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 2, 3, 5, 6, 8-16 & 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Olsen US 2002/0123951 A1 in view of Lange 6,321,212.

As per claim 2 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 1.

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Olsen US 2002/0123951 fails to explicitly show the payoff value is value negotiated for a product traded on an over the counter (OTC) market.

Lange 6,321,212 teaches "Derivatives are traded on exchanges, such as the option and futures contracts traded on the Chicago Board of Trade (CBOT), as well as off-exchange or over-the-counter (OTC) between two or more derivative counterparties." (Lange 6,321,212 col. 2 lines 35-38)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include payoff value is value negotiated for a product traded on an over the counter (OTC) market as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

As per claim 3 (Original), Olsen US 2002/0123951 A1 in view of Lange 6,321,212 discloses a method according to claim 2.

Olsen US 2002/0123951 fails to explicitly show that said at least one product is quoted on a futures market.

Lange 6,321,212 "This is how derivatives traders currently are able to hedge options, futures, and other derivatives trades" (Lange 6,321,212 col. 18 lines 14-15)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include that at least one product is quoted on a futures market. as taught by Lange

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6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 5 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 1.

Olsen US 2002/0123951 fails to explicitly teach that each underlying asset is a foreign-exchange rate, an index level, an equity indices or an interest rate.

Lange 6,321,212 teaches "The distribution will typically be defined for events of economic interest for investment by traders having the expectation of a return or a reduction of risk ("hedging"). For example, the distribution can be based upon the values of stocks, bonds, futures, and foreign exchange rates." (Lange 6,321,212 col. 23 lines 44-49)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include an that each underlying asset is a foreign-exchange rate, an index level, an equity indices or an interest rate as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

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As per claim 6 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 4.

Olsen US 2002/0123951 A1 fails to explicitly teach that said intermediate performances are monthly, weekly or daily performances.

Lange 6,321,212 teaches “increased availability to traders of accurate and up-to-date information on the trading of contingent claims, including information regarding the aggregate amounts invested across all states of events of economic significance, and including over varying time periods” (Lange 6,321,212 col. 14 lines 1-5)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include said intermediate performances are monthly, weekly or daily performances as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 8 (Original), Olsen US 2002/0123951 A1 discloses a method according to claim 1.

Olsen US 2002/0123951 fails to explicitly teach that the product value is determined by a consensus mechanism.

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Lange 6,321,212 teaches "Many data services, such as IBES and FirstCall, currently publish estimates by analysts and a consensus estimate in advance of quarterly earnings announcements." (Lange 6,321,212 col. 51 lines 25-27)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include the product value is determined by a consensus mechanism as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 9 (Currently amended), Olsen US 2002/0123951 A1 discloses a system for correlation risk hedging comprising:

a computer processing unit; memory device couple to said computer processing unit; and

computer-readable instructions stored in said memory, said computer-readable instructions capable of carrying out the functions of:

determining a payoff value for [[a]] the financial product wherein the payoff value is a function of the similarity of the behavior of the intermediate performances of the at least two underlying assets, each intermediate performance being related to the time period between two successive intermediate dates. ("A programmed computer for determining a portfolio, comprising at least one memory having at least one region storing computer

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executable program code and at least one processor for executing the program code stored in said memory, wherein the program code includes: (a) code to input past portions of one or more time series of one or more underlyings; (b) code to input one or more views about the future of said one or more time series; and (c) code to determine one or more future paths of said one or more time series from said past portions and said views.” Olsen US 2002/0123951 A1 Claim 36)

Olsen US 2002/0123951 fails to explicitly teach selecting at least two underlying assets, at least one underlying asset having an associated risk to be hedged; and defining a financial product that may be traded independent of the at least two underlying assets.

Lange 6,321,212 teaches “Derivative security” (used interchangeably with “derivative”) also has a meaning customarily ascribed to it in the securities, trading, insurance and economics communities. This includes a security or contract whose value depends on such factors as the value of an underlying security, index, asset or liability, or on a feature of such an underlying security, such as interest rates or convertibility into some other security.” (Lange 6,321,212 col. 7 line 60-col. 8, line 3) and “A trader can, of course, simply break-up or divide the multi-state investment into many separate, single-state investments, although this approach might require the trader to keep rebalancing his portfolio of single state investments as returns adjust throughout the trading period as amounts invested in each state change.” (Lange 6,321,212 col. 21 lines 16-22)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include at least one underlying asset having an associated risk to be hedged and defining a financial product that may be traded independent of the at least two

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underlying assets as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 10 (Original), Olsen US 2002/0123951 teaches a method according to claim 9.

Olsen US 2002/0123951 fails to explicitly show the payoff value is value negotiated for a product traded on an over the counter (OTC) market.

Lange 6,321,212 teaches "Derivatives are traded on exchanges, such as the option and futures contracts traded on the Chicago Board of Trade (CBOT), as well as off-exchange or over-the-counter (OTC) between two or more derivative counterparties." (Lange 6,321,212 col. 2 lines 35-38)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include value negotiated for a product traded on an over the counter (OTC) market as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

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As per claim 11 (Original), Olsen US 2002/0123951 teaches a method according to claim 10.

Olsen US 2002/0123951 fails to explicitly show that said at least one product is quoted on a futures market.

Lange 6,321,212 "This is how derivatives traders currently are able to hedge options, futures, and other derivatives trades" (Lange 6,321,212 col. 18 lines 14-15)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include product is quoted on a futures market. as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 12 (Original), Olsen US 2002/0123951 further discloses a system according to claim 9 comprising computer-readable instructions stored in the memory wherein said product comprises an expiry date and wherein the payoff at the expiry date is determined by:

$$p = 100 * \left[1 + \frac{\sum_{i=1}^n p_1(i) p_2(i)}{\sqrt{\sum_{i=1}^n [p_1(i)]^2} \cdot \sqrt{\sum_{i=1}^n [p_2(i)]^2}} \right]$$

wherein n+1 is the number of said intermediate dates, the intermediate date 0 being said initiation date, $p_1(i)$ is the performance between intermediate dates i-1 and i of said first underlying asset and $p_2(i)$ is the performance between intermediate dates i-1 and i of said second underlying asset. (“A programmed computer for determining a portfolio, comprising at least one memory having at least one region storing computer executable program code and at least one processor for executing the program code stored in said memory, wherein the program code includes: (a) code to input past portions of one or more time series of one or more underlyings; (b) code to input one or more views about the future of said one or more time series; and (c) code to determine one or more future paths of said one or more time series from said past portions and said views.” Olsen US 2002/0123951 A1 Claim 36) and results calculated with time series correlation coefficients (“In addition to a volatility model, the user can associate a model for correlation with each underlying. The available models are the same as the volatility models, i.e. historical, RMA, EMA and GARCH(1, 1). Now, however, these models are not used to define the volatility for the underlyings. Rather, they are combined pairwise to give formulas for the correlations between the underlyings. Olsen US 2002/0123951 A1 ¶ [0231]) and (“Accordingly, the correlation can be defined by

$$Corr = \frac{\sum_{i=1}^N w_{1,i} w_{2,i} Y_{1,i} Y_{2,i}}{\left(\sum_{i=1}^N |w_{1,i} Y_{1,i}|^2 \right)^{1/2} \left(\sum_{i=1}^N |w_{2,i} Y_{2,i}|^2 \right)^{1/2}}$$

Olsen US 2002/0123951 A1 ¶ [0236])

As per claim 13 (Original), Olsen US 2002/0123951 teaches a method according to claim 9.

Olsen US 2002/0123951 fails to explicitly teach that each underlying asset is a foreign-exchange rate, an index level, an equity indices or an interest rate.

Lange 6,321,212 teaches "The distribution will typically be defined for events of economic interest for investment by traders having the expectation of a return or a reduction of risk ("hedging"). For example, the distribution can be based upon the values of stocks, bonds, futures, and foreign exchange rates." (Lange 6,321,212 col. 23 lines 44-49)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include teach that each underlying asset is a foreign-exchange rate, an index level, an equity indices or an interest rate as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

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As per claim 14 (Original), Olsen US 2002/0123951 teaches a method according to claim 12. Olsen US 2002/0123951 fails to explicitly teach that said intermediate performances are monthly, weekly or daily performances.

Lange 6,321,212 teaches “increased availability to traders of accurate and up-to-date information on the trading of contingent claims, including information regarding the aggregate amounts invested across all states of events of economic significance, and including over varying time periods” (Lange 6,321,212 col. 14 lines 1-5)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include that said intermediate performances are monthly, weekly or daily performances as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 15 (Original), Olsen US 2002/0123951 discloses a method according to claim 9, wherein the product value is determined by a Monte Carlo simulation (“Simulation Model One embodiment of the present invention solves the portfolio re-allocation problem via Monte-Carlo simulation, which involves the construction of multivariate correlated paths into the future for each underlying time series.” Olsen US 2002/0123951 A1 ¶ [0022])

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As per claim 16 (Original), Olsen US 2002/0123951 teaches a method according to claim 9.

Olsen US 2002/0123951 fails to explicitly teach that the product value is determined by a consensus mechanism.

Lange 6,321,212 teaches "Many data services, such as IBES and FirstCall, currently publish estimates by analysts and a consensus estimate in advance of quarterly earnings announcements." (Lange 6,321,212 col. 51 lines 25-27)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include product value is determined by a consensus mechanism as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable

As per claim 18 (Original), Olsen US 2002/0123951 discloses a product according to claim 17 wherein the product is negotiated on an exchange

Olsen US 2002/0123951 fails to explicitly teach that the product is negotiated on an exchange.

Lange 6,321,212 teaches "Derivatives are traded on exchanges, such as the option and futures contracts traded on the Chicago Board of Trade (CBOT), as well as off-exchange or over-the-counter (OTC) between two or more derivative counterparties." (Lange 6,321,212 col. 2 lines 35-38)

As per claim 19 (Original), Olsen US 2002/0123951 discloses a method according to claim 17.

Olsen US 2002/0123951 fails to explicitly show that the product is negotiated on an exchange.

Lange 6,321,212 teaches "Derivatives are traded on exchanges, such as the option and futures contracts traded on the Chicago Board of Trade (CBOT), as well as off-exchange or over-the-counter (OTC) between two or more derivative counterparties." (Lange 6,321,212 col. 2 lines 35-38)

It would have been obvious to one of ordinary skill in the art at the time of the invention to include product is negotiated on an exchange as taught by Lange 6,321,212 in the system of Olsen US 2002/0123951 A1, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Response to Arguments

6. In the remarks filed on 6/23/2008, Applicant argues that

(1) Olsen says nothing about a payoff value that is a function of the similarity of behavior between two underlying assets.

(2) Claim 9 was amended to recite that at least one underlying asset having an associated risk to be hedged and further recites the step of defining a financial product that may be traded independent of the at least two underlying assets.

(3) Olsen recites an expiry date wherein the expiry date has a term that is the same as the set term of the implied price correlation. The claims by contrast set the term as the maturity date of the financial product and not to describe price action.

In response to (1) Olsen US 2002/0123951 A1 directly addresses portfolio values as a function of values of underlying assets. ("The present invention determines a portfolio from past values of underlyings and from views about the future values of underlyings. Olsen US 2002/0123951 A1, ¶ [0004])

In response to (2) Lange 6,321,212 defines a financial product that may be traded independent of the at least two underlying assets. ("Derivative security" (used interchangeably with "derivative") also has a meaning customarily ascribed to it in the securities, trading, insurance and economics communities. This includes a security or contract whose value depends on such factors as the value of an underlying security,

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index, asset or liability, or on a feature of such an underlying security, such as interest rates or convertibility into some other security.” Lange 6,321,212 col. 7 line 60-col. 8, line 3) and underlying assets having an associated risks to be hedged. (“This is how derivatives traders currently are able to hedge options, futures, and other derivatives trades” Lange 6,321,212 col. 18 lines 14-15)

In response to **(3)** Examiner notes that Olsen directly addresses the maturity dates of financial assets (“If a maturity is associated with the time series, this maturity must always be relative to the present time point and not an absolute point in time.” Olsen US 2002/0123951 A1, ¶ [0019]) and (The typical example is interest rates where users will see spot rates $R(t, s_j)$ for times to maturity $0 < s_1 < \dots < s_k$ but the simulation will be on the forwards $R(t, s_{j-1}, s_j)$ for the periods $[t+s_{j-1}, t+s_j]$, where we have put $s_0=0$. Olsen US 2002/0123951 A1, ¶ [0172])

Conclusion

7. **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any

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extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gerald C. Vizvary whose telephone number is 571-270-3268. The examiner can normally be reached on Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ella Colbert can be reached on 571-272-6741. The fax phone number for the organization where this application or proceeding is assigned is 571-270-4268.

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